

Title: Financial Management Services

Purpose

This section provides a description of the State Agencies methodology in determining funding disbursement

Authority

246.13

Policy

The State WIC Office will work with the appropriate state and local agency staff to ensure fair and appropriate funding to all local agencies.

I. State Responsibilities

- A. Determine distribution of food dollars and administrative funds to local programs. Administrative funds for local programs are determined by review of local program operations, local budget requests and funding allocation methodology.
- B. Determine budget for State WIC Office.
- C. Pay local programs monthly in accordance with contract on expenditure report requests. Local programs must send in expenditure reports for the previous month's expenditures by the 28th of the next month, unless other arrangements have been made. Warrants are issued by the State WIC Office and payments are received by the local programs.
- D. Make drawdowns against the letter of credit. Funds drawn are based on current average expenditures for the state WIC agency as reflected in the SABHRS System, and on current requests for reimbursement from local programs. A request is made to USDA for the estimated amount needed for no more than 3 days of operation.
- E. Maintain documented, accurate and ongoing reports of State WIC Agency expenditures via the SABHRS system. Financial records are maintained which account for all expenditures and letter of credit withdrawals for the Montana WIC Program Section.
- F. The SABHRS System meets all basic accounting principles as outlined in OMB Circular A-102. The accounting system complies with all general legal provisions and fully discloses the financial position and results of financial operations of the WIC Program.
 - 1. The accounting system is organized on a fund/account basis (accounting entity). An accounting entity is defined as an independent fiscal entity with a self-balancing set of accounts provided to record assets or other resources together with all related liabilities, obligations, reserves and equities which are segregated for the purpose of carrying on specific governmental activities or attaining certain objectives in accordance with specific regulations, restrictions or limitation.
 - 2. Financial records and reports are prepared at least monthly and at the close of each fiscal year covering all accounting entities and financial operations of State government.
 - 3. As a rule, expenditures are charged to the fiscal year in which they were incurred. Expenditures are recorded on the basis of valid obligations when contractual agreements overlap fiscal periods.

- G. Operate data processing system for reconciliation of food instruments.
- H. Negotiate contract with banking institution to process food instruments and pay food retailers.
- I. Notify and request prior approval from FNS for any equipment purchases exceeding \$5,000.00.

II. Distribution of Administrative Funds

Funding is dependent on Federal Grant Award received.

- A. Start-up Funds - If and when expansion monies are available, any new local programs will receive start-up funds in accordance with DPHHS contractual policy and applicable state law.
- B. Administrative awards to local programs will be based on an average participant funding level and consideration of other factors. Average participation will be an average of client caseload per region from October 1st to March 31st of each year.